



**STATE OF CONNECTICUT**  
**OFFICE OF POLICY AND MANAGEMENT**  
**INTERGOVERNMENTAL POLICY AND PLANNING DIVISION**

January 11, 2021

**MUNICIPAL SPENDING CAP REPORT - DUE THURSDAY, FEBRUARY 11**

Dear Chief Executive Officer and Chief Financial Officer:

Subsection (h) of Connecticut General Statute Sec. 4-66l establishes a municipal expenditure cap. Each municipality shall annually certify to the Secretary of the Office of Policy and Management (OPM) whether such municipality has exceeded the cap set forth in this subsection and the amount by which the cap was exceeded.

Attached is the Fiscal Year 2020 / Fiscal Year 2021 Municipal Spending Cap Certification Form. The form may also be found on our [website](#) under News & Updates. Please complete, sign, scan (PDF) and email to [Martin.Heft@ct.gov](mailto:Martin.Heft@ct.gov) no later than Thursday, February 11, 2021.

The basis of reporting is the original adopted budget for July 1<sup>st</sup>, not adjusted. This is the original budget voted upon. The Excel form will automatically produce the calculations necessary.

Please note that while the language in subsection (h) provides some very general guidance regarding what expenditures are considered outside of "municipal spending", it does not provide definitions or specific guidance. OPM believes that it is the intent of the law to exclude business-type activities from municipal spending (i.e. water pollution control authority). You will need to interpret the language in the statute and make those determinations for your municipality. Please be consistent across fiscal years when doing so.

The amount of the grant payable to a municipality in any year in accordance with subsection (d) or (f) of Sec. 4-66l shall be reduced if such municipality increases its general budget expenditures for such fiscal year above a cap equal to the amount of general budget expenditures authorized for the previous fiscal year by 2.5 per cent or more or the rate of inflation, whichever is greater.

Sincerely,

A handwritten signature in black ink, appearing to read "Martin L. Heft".

Martin L. Heft, Acting Undersecretary

**Sec. 4-66l. Municipal revenue sharing account. Motor vehicle property tax grants. Municipal revenue sharing grants. Regional services grants.**

**Subsection (h)** (1) Except as provided in subdivision (2) of this subsection, for the fiscal year ending June 30, 2018, and each fiscal year thereafter, the amount of the grant payable to a municipality in any year in accordance with subsection (d) or (f) of this section shall be reduced if such municipality increases its adopted budget expenditures for such fiscal year above a cap equal to the amount of adopted budget expenditures authorized for the previous fiscal year by 2.5 per cent or more or the rate of inflation, whichever is greater. Such reduction shall be in an amount equal to fifty cents for every dollar expended over the cap set forth in this subsection. For the purposes of this section, (A) "municipal spending" does not include expenditures for debt service, special education, implementation of court orders or arbitration awards, expenditures associated with a major disaster or emergency declaration by the President of the United States, a disaster emergency declaration issued by the Governor pursuant to chapter 517 or any disbursement made to a district pursuant to subsection (c) or (g) of this section, budgeting for an audited deficit, nonrecurring grants, capital expenditures or payments on unfunded pension liabilities, (B) "adopted budget expenditures" includes expenditures from a municipality's general fund and expenditures from any nonbudgeted funds, and (C) "capital expenditure" means a nonrecurring capital expenditure of one hundred thousand dollars or more. Each municipality shall annually certify to the secretary, on a form prescribed by said secretary, whether such municipality has exceeded the cap set forth in this subsection and if so the amount by which the cap was exceeded.



## Adopted Budget Expenditures and Municipal Population

Name of Municipality: _____ Town Code: _____	FY 20	FY 21
Original Adopted Budget Expenditures (not adjusted)	0	0
Less expenditures for other municipal business type entities (list below, i.e.: water pollution control authority):		
	0	0
	0	0
	0	0
Debt service	0	0
Special education	0	0
Implementation of court orders or arbitration awards	0	0
Major disaster or emergency declaration by the President of the United States	0	0
Disaster emergency declaration issued by the Governor pursuant to chapter 517	0	0
Any disbursement made to a district pursuant to subsection (c) or (g) of section 4-66l of the Connecticut General Statutes	0	0
Audited deficit	0	0
Nonrecurring grants	0	0
Capital expenditures	0	0
Payments on unfunded pension liabilities	0	0
Adjusted Adopted Budget Expenditures	0	0
Net Dollar Change Between FY19 and FY20 Adopted Budget Expenditures	0	
Net % Increase/(Decrease) Adopted Budget Expenditures	#DIV/0!	
Allowable % Increase (either 2.5% or 2.1% rate of inflation, whichever is greater)	2.50%	
FY20 Municipal Population		
FY21 Municipal Population Estimate	0	
Net Change Between FY20 and FY21 Municipal Population	0	
Net % Increase/(Decrease) Municipal Population	0	
	#DIV/0!	
<b>Select one from the following two certifications:</b>		
I am the Chief Elected Official and this submission will serve as certification that the information provided in this report is accurate based upon the underlying financial records maintained by the municipality and that the Adjusted Adopted Budget Expenditures reported on this report <b>do not the exceed the cap</b> per subsection (h) of C.G.S. 4-66l Sec. (h)(1).		
I am the Chief Elected Official and this submission will serve as certification that the information provided in this report is accurate based upon the underlying financial records maintained by the municipality and that the Adjusted Adopted Budget Expenditures reported on this report <b>do exceed the cap</b> per subsection (h) of C.G.S. 4-66l Sec. (h)(1).		
<b>SIGNED:</b>	<b>DATE:</b>	